
FINDINGS OF FACT AND RECORD OF DECISION

ENVIRONMENTAL ASSESSMENT WORKSHEET

for

5th Street SE Mixed Use

Location: 1300-1322 5th Street SE, 425 14th Avenue SE, City of Minneapolis, Hennepin County, Minnesota.

Responsible Governmental Unit (RGU): City of Minneapolis

Contact Information:

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BACKGROUND AND SUPPORTING INFORMATION

On May 20, 2013, the City of Minneapolis received a petition forwarded from the Minnesota Environmental Quality Board (EQB) that had been filed by Jane Prince, the petitioner's representative. The petition requests the preparation of an Environmental Assessment Worksheet (EAW) for the project known as 5th Street SE Mixed Use project proposed at 1300-1322 5th Street SE, 425 14th Avenue SE. The EQB determined that the City is the appropriate Responsible Governmental Unit (RGU) for the decision on the petition (**Attachment 1**). The EQB published the notice in the EQB Monitor on May 27, 2013, that the City was assigned as the RGU pursuant to Minn. Rules 4410.0500 Subpart 3. The full petition and associated petition materials have been attached for reference (**Attachment 2**).

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It is undisputed that the proposed project does not meet any of the mandatory EAW categories contained in Minn. Rules 4410.4300. Minn. Rules 4410.1000, subp. 3(B) indicates that a discretionary EAW shall be prepared in response to a citizen petition only when 1) the proposed project is not exempt under Minn. Rules 4410.4600 and when 2) the RGU determines that the proposed project may have the potential for significant environmental effects. The commercial component of this proposed project would be exempt from environmental review as 10,317 square feet of commercial space meets the commercial development category exemption of Minn. Rules 4410.4600, subp. 10(A)(3). A total of 140 residential units would not be exempt under the residential development category exemption of Minn. Rules 4410.4600, subp. 12(A)(4) as the proposal exceeds 80 dwelling units. However, there is no exemption category specifically applicable to a mixed-use project. The next step is to determine whether the project may have the potential for significant environmental effects; the merits of the citizen petition have been addressed by CPED Staff below.

A. PROJECT DESCRIPTION

The development site is located on the north half of the block bound by 4th Street SE, 13th Avenue SE, 5th Street SE and 14th Avenue SE. The subject site currently contains three buildings and a large amount of surface parking. The applicant proposes to demolish the existing structures and construct a new 6-story, 140-unit mixed use building with 10,317 square feet of ground floor commercial space and one level of below grade parking on the properties located at 1300-1322 5th Street SE and 425 14th Avenue SE. Additional parking is provided in the center of the building on the first floor. The property is zoned C1 (Neighborhood Commercial) District and is located in the PO (Pedestrian Oriented) Overlay and UA (University Area) Overlay Districts. The applicant is requesting a rezoning to the C3A (Community Activity Center) District.

The principal residential entrance to the building would be located along 13th Avenue SE and would open into a lobby. A separate entrance is proposed for the residential amenities, including a club room and fitness room. That entrance would open to a patio space adjacent to 5th Street SE. The unit mix for the residential component is five studio units, 45 one-bedroom units, 80 two-bedroom units, three three-bedroom units and seven four-bedroom units. The floor plan shows five commercial tenant spaces on the east end of the building. Two of these would be oriented toward and accessed from 5th Street SE and three are oriented toward and accessed from 14th Avenue SE. The underground parking would be accessed from 13th Avenue SE and the ground level parking would be accessed from 5th Street SE.

The maximum height permitted in the C3A, Community Activity Center district is four stories, 56 feet. The proposed building has a maximum height of six stories, 73 feet, 4 inches. A conditional use permit for increased height has been requested accordingly.

Residential uses in the C3A district have a minimum side yard setback requirement of 5+2x, but not more than 15 feet, where the use contains windows facing an interior side yard or rear yard. Due to the layout and platting of the site, the property has several interior side lot lines. The three south-facing property lines are all considered interior side yards. The building wall for the residential portion of the building is reduced to 10 feet on the east side of the site, 12 feet in the

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center of the site and 10.5 feet on the west side of the site. The interior side yard on the west side of the site also includes a transformer and generator. The site also has an interior side yard along the west property line, between the proposed building and an existing building at 418 13th Avenue SE (Burrito Loco). This interior side yard is being reduced from 15 feet to 10 feet. Variances have been requested accordingly.

The Pedestrian Oriented Overlay district (PO) has a maximum setback requirement of eight feet for front yards and corner side yards, except where a greater yard is required. Along the north property line the applicant is proposing a maximum front yard setback of 10 feet, 6 inches for the entrances to the residential amenities (club room and fitness center) and the commercial use in the northeast corner of the site. A variance from eight feet to 10 feet, 6 inches has been requested for each of these entrances.

The minimum vehicle parking requirement for the residential component is .5 spaces per bedroom, but not less than one space per dwelling unit, and there is no commercial parking requirement. In this case, there are 140 dwelling units and 247 bedrooms and the one space per dwelling unit provision applies. The minimum parking requirement is 140 spaces. The applicant is providing 138 parking stalls within the development. However, 76 of those parking stalls would be designated for general public parking. Thus, a parking variance from 140 spaces to 62 spaces (.25 per bedroom) has been requested. The details of the public parking have not been determined at this time. The applicant/property owner may charge a fee for parking and may determine the appropriate hours of operation, subject to licensing standards.

Residential uses including 100-250 dwelling units require one small loading space. A loading space is shown in the grade-level parking area but said loading space is partially located within a required drive aisle. A variance to reduce the loading requirement from one small space to zero has been requested accordingly.

Staff received a letter from the Marcy Holmes Neighborhood Association dated April 16, 2013, recommending approval of the applications with conditions. The conditions primarily relate to parking and traffic impacts during construction. There is also a condition asking that the commercial space be guided for small, local and diverse businesses. The full letter has been attached for reference.

In addition, the applicant has completed a Travel Demand Management Plan (TDMP) for the proposed development that has been reviewed by Public Works and CPED Staff. The TDMP found that no significant traffic-related impacts are anticipated with redevelopment of the site.

B. ARGUMENTS OF THE PETITION

The petitioner makes several arguments in support of requiring an EAW prior to the City's consideration of the land use applications for the site. It is undisputed that the project does not meet any of the mandatory EAW categories contained in Minn. Rules 4410.4300; therefore, it is implied that the petitioner is urging the City to order the preparation of a discretionary EAW.

According to the petitioner, the petition is based on the effects of the conversion of the land use from the existing to the proposed use and the impacts on Dinkytown, and how both the project's proposed zoning change and conditional use permit for height would affect the existing built form, and existing businesses. Further, the petition states that the increase in the intensity of residential land use would degrade the qualities of the built environment, affect traffic patterns and parking sufficiency as well as safe multi-modal access to and through Dinkytown.

B. FINDINGS REQUIRED BY THE RULES OF THE EQB

The Rules provide that the designated RGU shall order the preparation of an EAW if the evidence presented by the petitioners, proposers, and other persons or otherwise known to the City demonstrates that, because of the nature or location of the proposed project, the project may have the potential for significant environmental effects. The RGU shall deny the petition if the evidence presented fails to demonstrate that the project may have the potential for significant environmental effects. The following factors must be considered:

A. Type, extent, and reversibility of environmental effects;

B. Cumulative potential effects. The RGU shall consider the following factors: whether the cumulative potential effect is significant; whether the contribution from the project is significant when viewed in connection with other contributions to the cumulative potential effect; the degree to which the project complies with approved mitigation measures specifically designed to address the cumulative potential effect; and the efforts of the proposer to minimize the contributions from the project;

C. The extent to which the environmental effects are subject to mitigation by ongoing public regulatory authority. The RGU may rely only on mitigation measures that are specific and that can be reasonably expected to effectively mitigate the identified environmental impacts of the project; and

D. The extent to which environmental effects can be anticipated and controlled as a result of other available environmental studies undertaken by public agencies or the project proposer, including other EISs.

The petitioners cite seven criteria that they believe will result in the potential for significant environmental effects should the project be constructed which include:

- (1) Impacts to Dinkytown, a historic neighborhood commercial node of the Marcy Homes Neighborhood, of a zoning change from C1 to C3A and height variance for high density mixed-use;
- (2) Impacts of the 6-story height variance, to the identity, aesthetic, traditional forms and characteristic features that define Dinkytown;
- (3) Impacts to the “material culture”, of Dinkytown, including the historic character, built environment, and cultural marketplace of arts and ideas;
- (4) Impacts to livability diversity and equal opportunity;

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- (5) Cumulative impacts to the social and economic ecology of the area and to Minneapolis, the small business ecology of Dinkytown, of new market retail rates, property value and tax base shifts; implications for City small businesses and Great Streets values;
- (6) Parking and traffic impacts, bicycle safety;
- (7) The relative standing of zoning and planning designations such as “Activity Center”;
- (8) Effects of the proposed project on the City’s comprehensive values and standing of the neighborhood small area plans.

A. Type, extent, and reversibility of environmental effects;

The environmental effects identified in the petition are visual, localized, and can be mitigated through the City’s land use application process. The identified effects are reversible until the potential final discretionary approvals of the proposed project are granted through the City approval process. Each phase will require City approvals including but not limited to the Planning Commission, Zoning and Planning Committee and City Council.

B. Cumulative potential effects of related or anticipated future projects;

All major future redevelopments within the area would be considered through the formal land use application process that has been applied to this project. The City’s existing regulatory process and framework captures and evaluates development proposals not only from a Planning perspective, which encompasses community planning, heritage preservation and development services analysis, but also includes evaluations by the Public Works Department related to stormwater management, sewer design, traffic, streets, water, right-of way, etc. This has and will continue to allow the City to manage potential cumulative effects of future development within the vicinity and throughout the City as a whole.

C. The extent to which the environmental effects are subject to mitigation by ongoing public regulatory authority; and

The City’s formal land use application process is comprehensively administered by City Staff and implemented by experienced Commissions and the City Council. The City’s existing regulatory process and framework captures and evaluates development proposals not only from a Planning perspective which encompasses community planning, heritage preservation and development services analysis but also includes evaluations by the Public Works Department related to stormwater management, sewer design, traffic, streets, water, right-of way, etc. Any potential environmental effects are mitigated by the City’s formal development review efforts.

The properties have not been designated as a Landmark or portion of a historic district by the City of Minneapolis. The buildings have also not been designated as part of a historic district, site, or place by the State of Minnesota. Furthermore, the buildings have not been listed in the National Register of Historic Places. Staff research indicates that the subject properties are not historic resources and have no particular associations with significant people, events, city/neighborhood identity, and landscape design.

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The proposed development as a whole, inclusive of all required land use applications has been thoroughly analyzed in the CPED staff report dated May 20, 2013 ([Attachment 3](#)). The analysis encompasses the following land use applications:

- Rezoning from C1 (Neighborhood Commercial district) to the C3A (Community Activity Center district) while retaining the PO and UA Overlay districts;
- Conditional Use Permit to increase height in the C3A district from 4 stories, 56 feet to 6 stories, 73 feet, 4 inches;
- Variance to increase the maximum front yard setback in the PO, Pedestrian Oriented Overlay district from 8 feet to 10 feet, 6 inches;
- Variance to reduce the interior side yard setbacks;
- Variance to reduce the minimum parking requirement from 140 spaces to 62 spaces (a total of 138 spaces will be provided but 76 are intended to be used for general commercial parking);
- A variance to reduce the minimum loading requirement from one small space to 0;
- Site plan review for a new mixed use building with 140 dwelling units and approximately 10, 317 square feet of ground floor commercial space.

The proposed project has been evaluated and staff has determined that the proposed development is consistent with the applicable comprehensive policy document, *The Minneapolis Plan for Sustainable Growth* as well as the *Marcy Holmes Master Plan*.

The Minneapolis Plan for Sustainable Growth identifies this site as Commercial on the future land use map. The site is within the boundaries of an Activity Center and near a Growth Center. The comprehensive plan notes that Activity Centers support “a wide range of commercial, office, and residential uses.” The proposed project results in a density of approximately 137 dwelling units per acre, which is considered very high density. This level of density is appropriate in an Activity Center. Further details are available within the attached staff report.

The proposed development is also consistent with the *Marcy Holmes Master Plan* regarding several Land Use, Housing, Economic Development, Public Realm, Transit and Transportation, and Character and Design Objectives. Further details are available within the attached staff report.

It is important to note that City Staff and the City Planning Commission consider the context, character, and compatibility of new development. The applicant has submitted detailed plans demonstrating how the project impacts the scale and character of the Dinkytown Activity Center.

Also, as previously noted, the applicant has completed a Travel Demand Management Plan (TDMP) for the proposed development that has been reviewed by Public Works and CPED Staff. The TDMP found that no significant traffic-related impacts are anticipated with redevelopment of the site. Further, the site would accommodate a total of 247 bicycle parking spaces on the premises.

D. The extent to which environmental effects can be anticipated and controlled as a result of other available environmental studies undertaken by public agencies or the project proposer, including other EISs.

Redevelopment of this type within an urban setting is neither unique nor unanticipated. Residential, commercial and mixed-use developments that have been significantly more intense have been the subject of EAWs and EISs as well as specific permitting processes. Based on these studies, the environmental effects of this redevelopment can be anticipated and controlled by the City's formal land use application and regulatory processes.

DECISION ON THE NEED FOR AN ENVIRONMENTAL ASSESSMENT WORKSHEET

Based on the information in the above analysis, the City of Minneapolis concludes the following:

1. This "Findings" document and related documentation were prepared in compliance with the procedures of the Minnesota Environmental Policy Act and Minnesota Rules, Parts 4410.1000 to 4410.1700.
2. The project does not meet any of the mandatory EAW thresholds contained in Minn. Rules 4410.4300.
3. The petitioners failed to meet their burden of proof that the project may have the potential for significant environmental effects. Although there are many arguments presented, they are largely anecdotal and unsupported by compelling evidence.
4. The City of Minneapolis makes the finding that the petition for an EAW for the 5th Street SE Mixed Use project on the properties located at 1300-1322 5th Street SE and 425 14th Avenue SE is denied.
5. The City of Minneapolis City Council shall adopt the proposed Findings of Fact and Record of Decision document.

Attachments:

- 1) Letter from the EQB
- 2) Citizen Petition for EAW materials
- 3) CPED staff report and attachments dated 5/20/13